



America's Entitlements Explosion: Evidence and Implications

Accompanying Tables to Testimony

Nicholas Eberstadt

Henry Wendt Chair In Political Economy

American Enterprise Institute

eberstadt@aei.org

July 6th, 2016

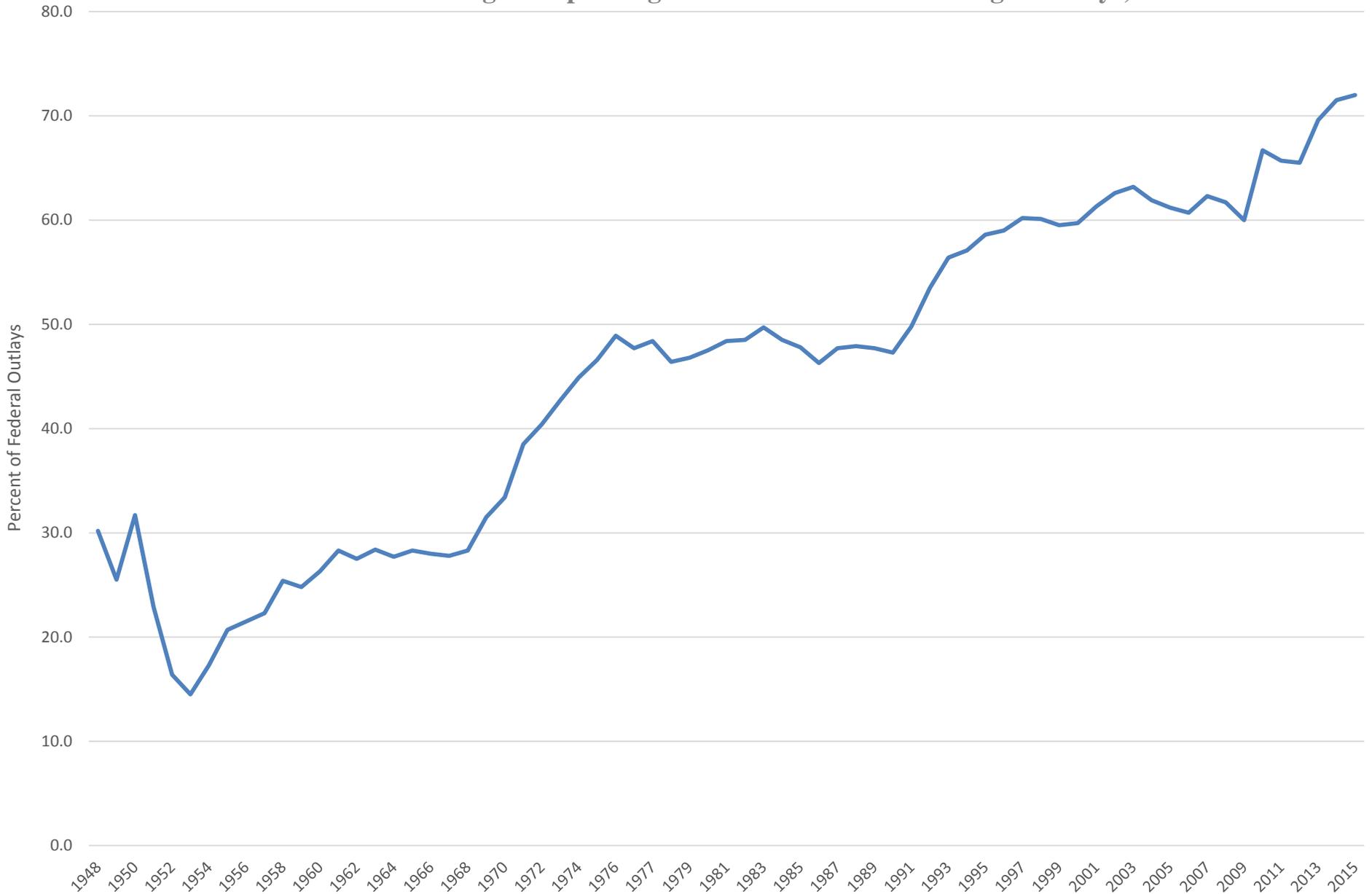
Statement before the House Committee on the Judiciary

Executive Overreach Task Force

“The Federal Government on Autopilot: Mandatory Spending and the Entitlement Crisis”

Figure 1

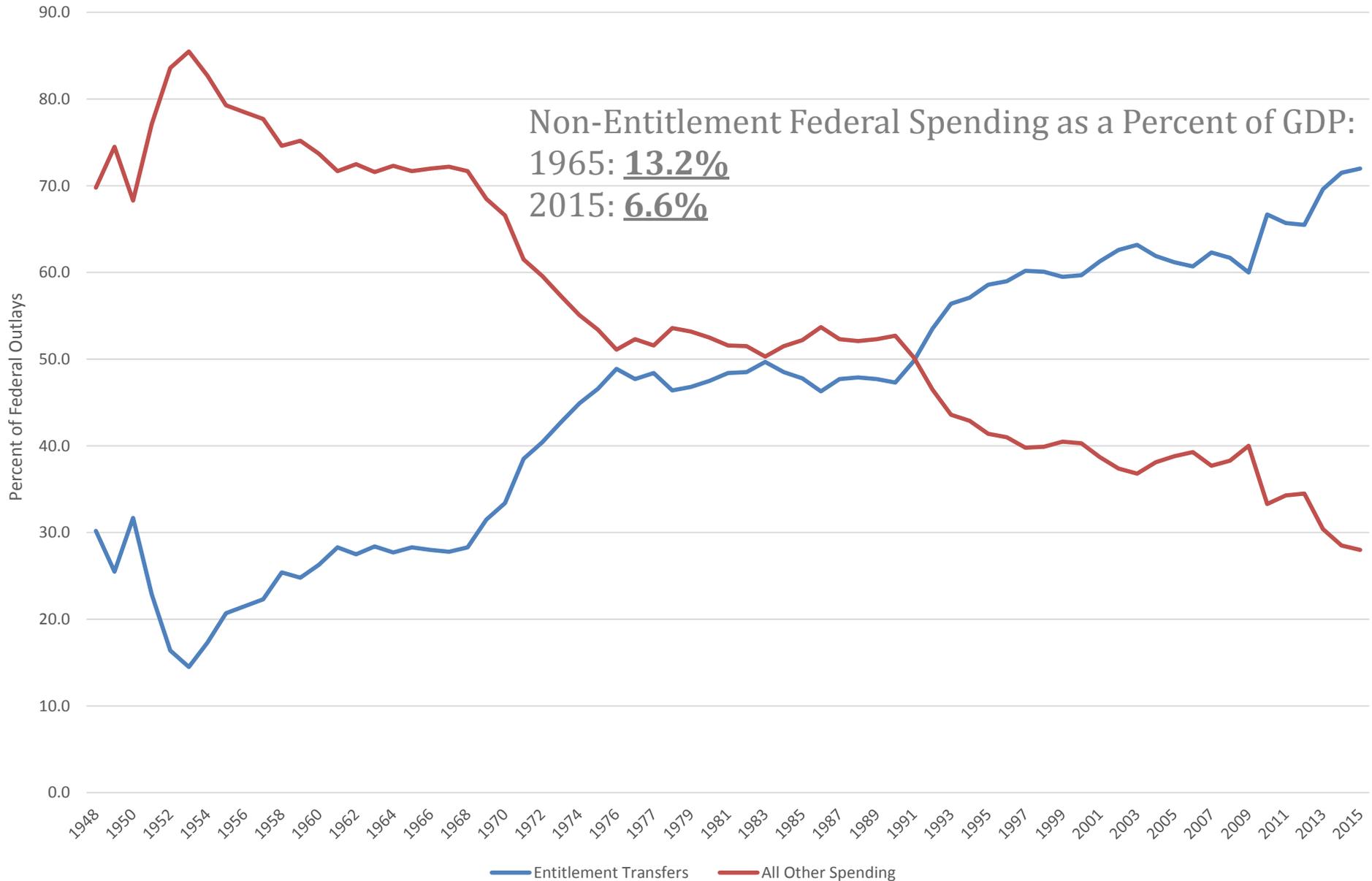
Federal Government Entitlement Program Spending as a Percent of Federal Budget Outlays, FY1948-FY2015



Sources: White House Historical Tables, Office of Management and Budget, "Table 6.1- Composition of Outlays" <https://www.whitehouse.gov/omb/budget/Historicals> (Accessed July 1, 2016)

Figure 2

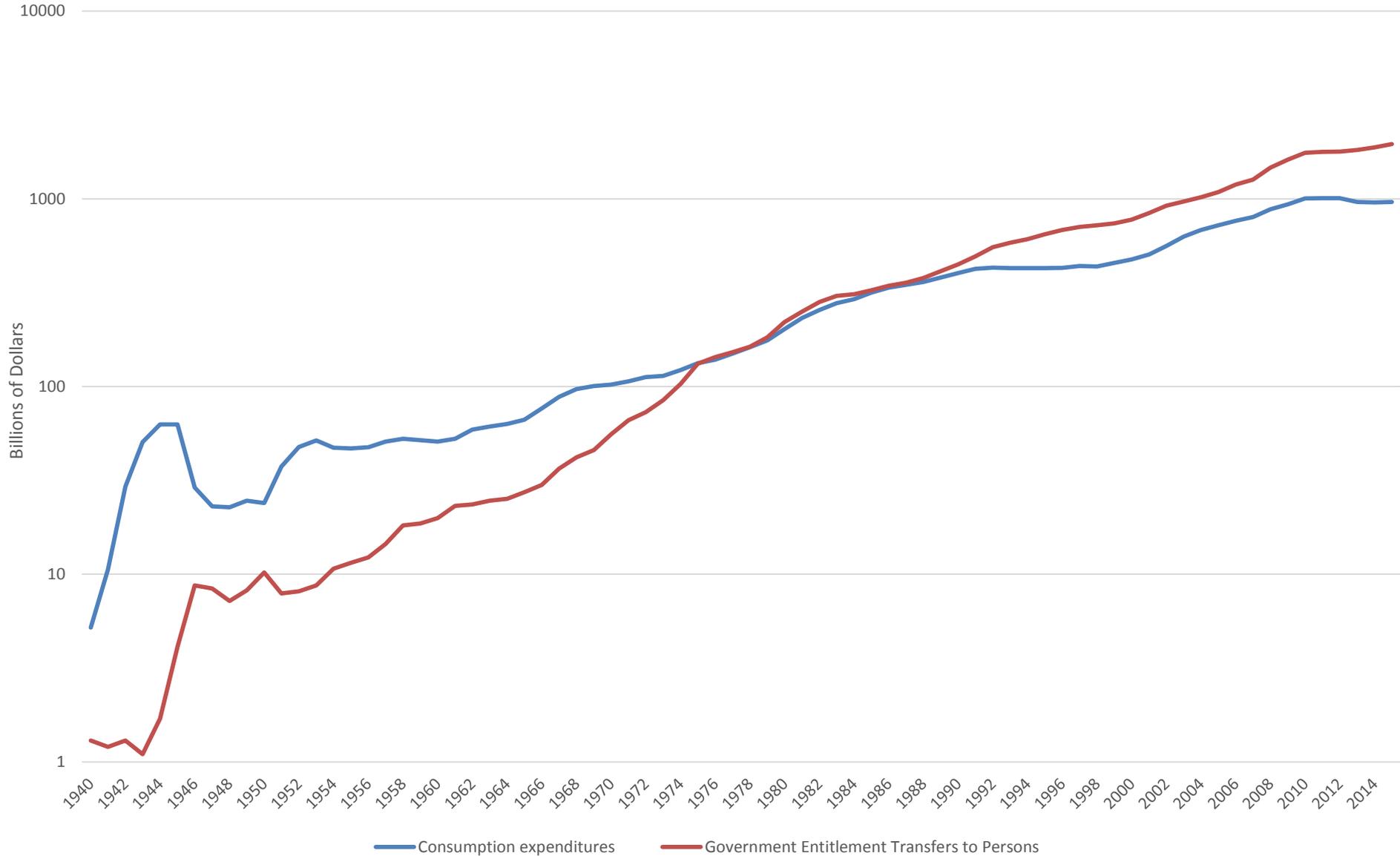
Federal Government Total Spending on Entitlement Programs as a Percentage of Total Federal Outlays: FY1948-FY2015



Sources: White House Historical Tables, Office of Management and Budget, "Table 6.1- Composition of Outlays" <https://www.whitehouse.gov/omb/budget/Historicals> (Accessed July 1, 2016)

Figure 3

Current Government Consumption at All Levels vs. Government Entitlement Transfers at All Levels, calendar years 1947-2015 (current \$ US billions)



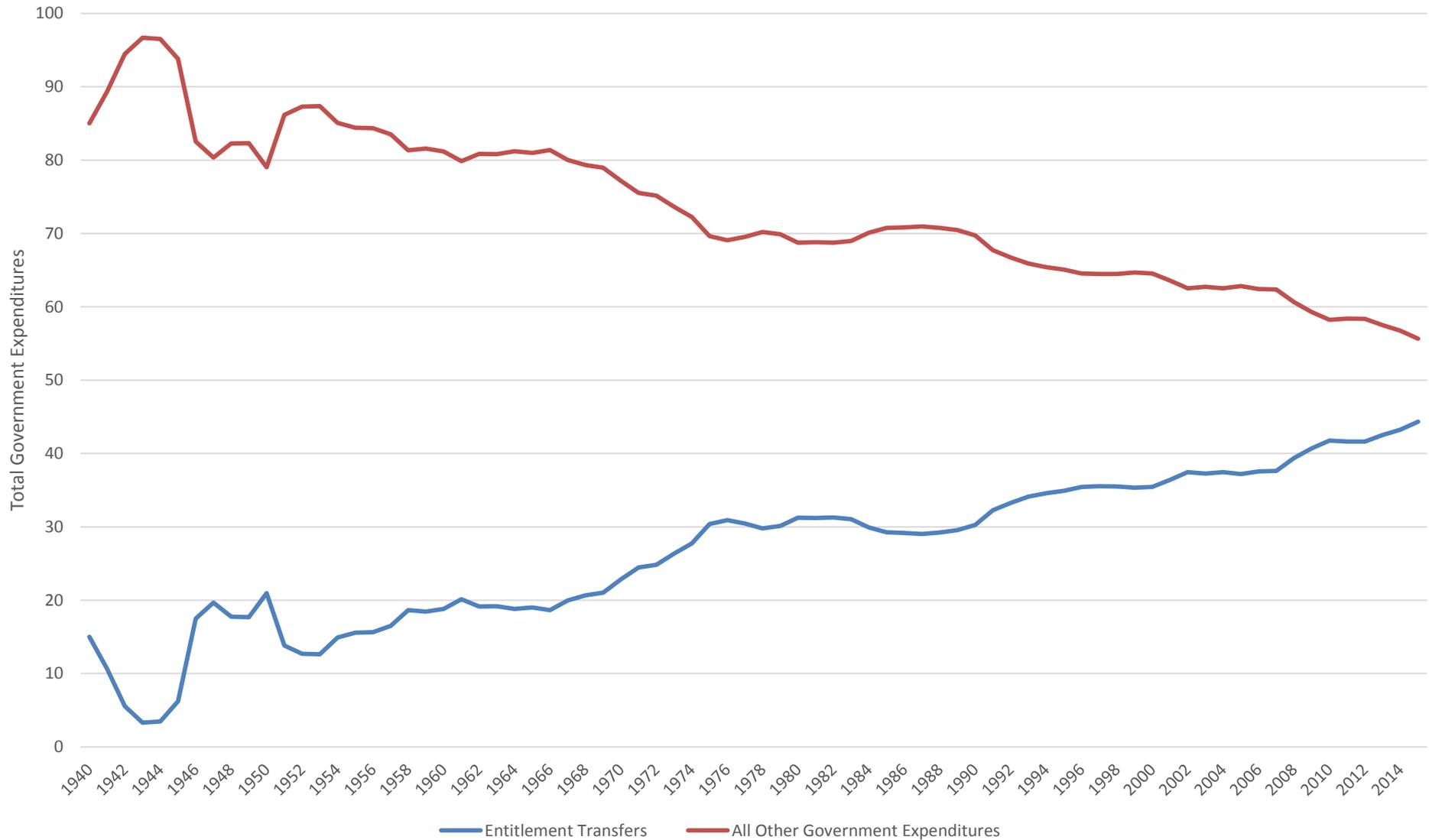
— Consumption expenditures — Government Entitlement Transfers to Persons

Sources: US Bureau of Economic Analysis, "Table 3.1 Government Current Receipts and Expenditures"

<http://bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=3&isuri=1&904=1947&903=86&906=a&905=2015&910=x&911=1> (Accessed June 27, 2016)

Figure 4

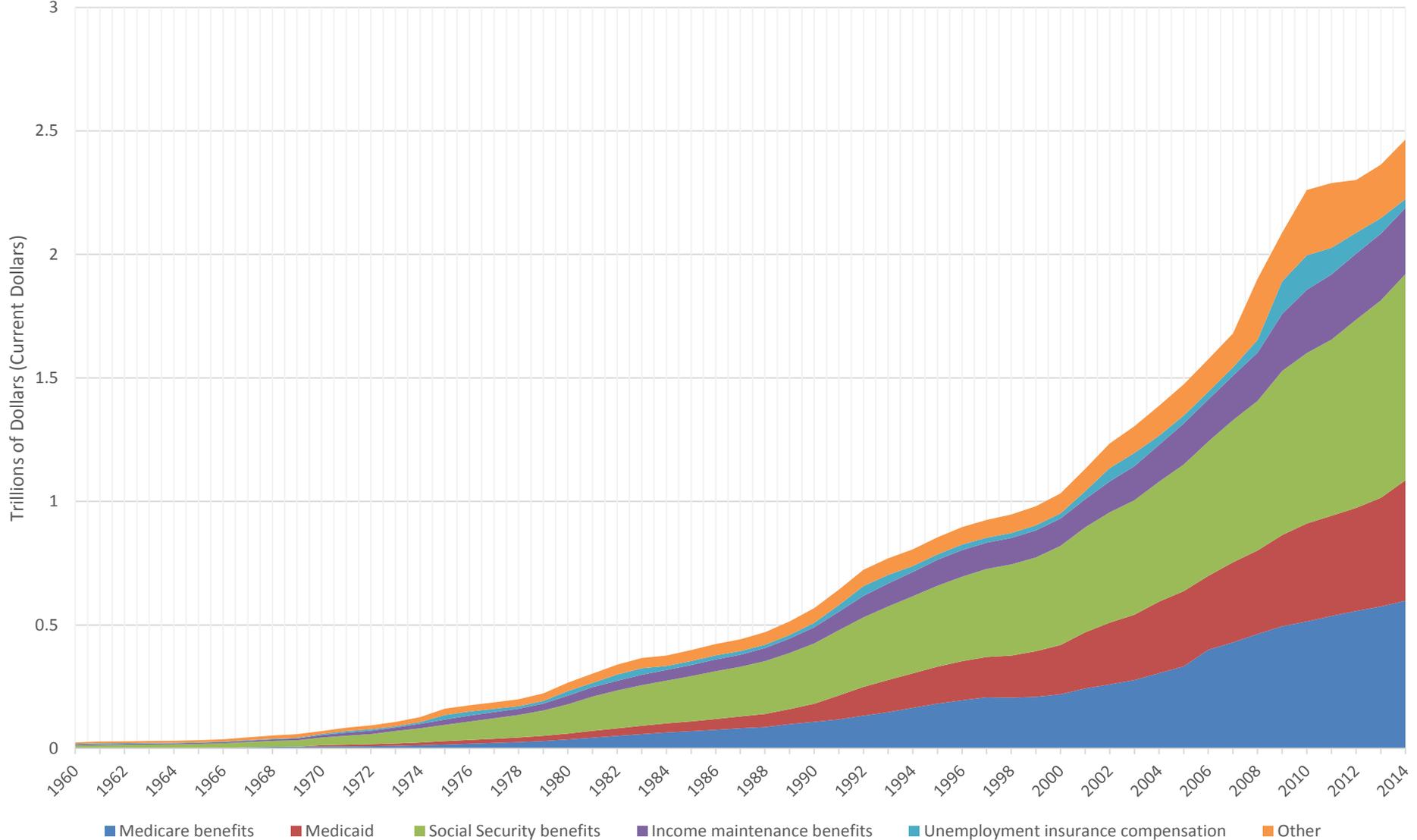
Government Entitlement Transfers to Individuals As a Percentage of Government Outlays at All Levels versus Percentage of Outlays All Other US Government Expenditures 1940-2015



Sources: US Bureau of Economic Analysis, "Table 3.1 Government Current Receipts and Expenditures"

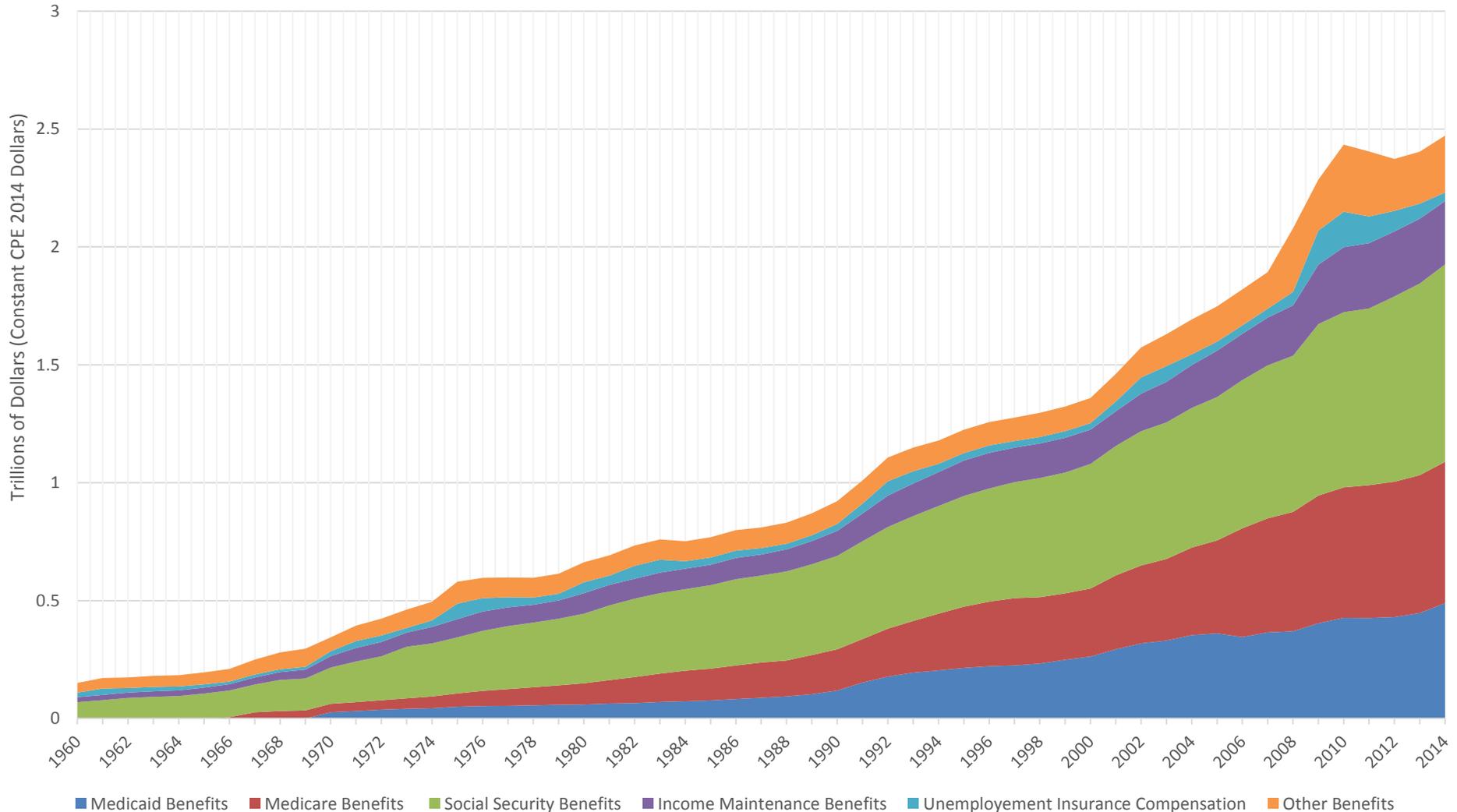
<http://bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=3&isuri=1&904=1947&903=86&906=a&905=2015&910=x&911=1> (Accessed July 1, 2016)

FIGURE 5
The Composition of Total Government Transfer Payments,
1960-2014 (current \$ US trillions)



Source : Government Entitlement Transfers: US Bureau of Economic Analysis, SA35 Personal current transfer receipts,
<http://www.bea.gov/iTable/iTableHtml.cfm?reqid=70&step=30&isuri=1&7028=-1&7040=-1&7083=Levels&7031=0&7022=7&7023=0&7024=Non-Industry&7025=0&7026=00000&7027=-1&7001=47&7029=7&7090=70&7033=-1> . (Accessed June 27, 2016).

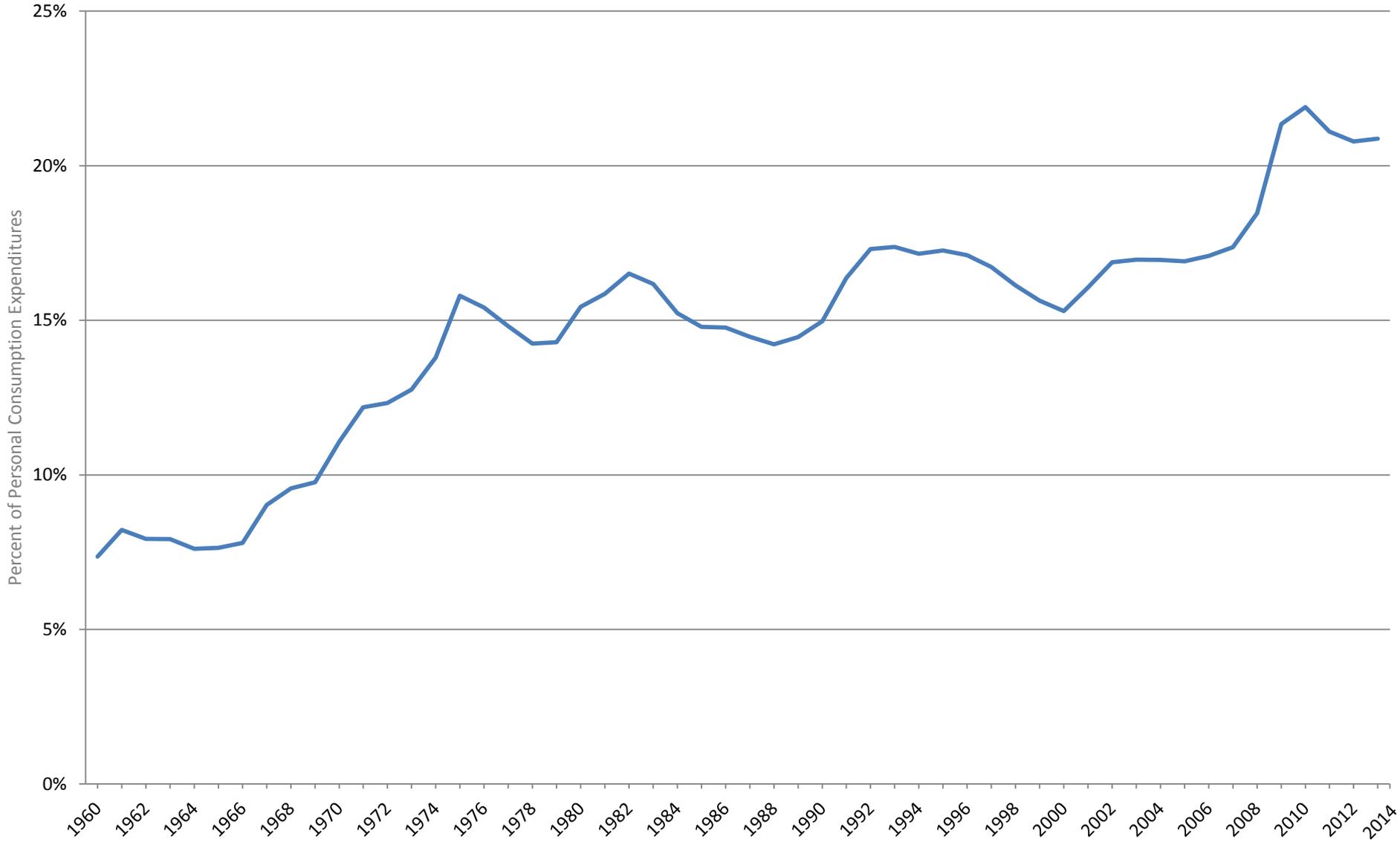
FIGURE 6
The Composition of Inflation-Adjusted Government Transfer Payments,
1960-2014: Constant 2014 \$ US, PCE Index (in billions)



Sources: Government Entitlement Transfers: Bureau of Economic Analysis, SA35 Personal current transfer receipts, <http://www.bea.gov/iTable/iTableHtml.cfm?reqid=70&step=30&isuri=1&7028=-1&7040=-1&7083=Levels&7031=0&7022=7&7023=0&7024=Non-Industry&7025=0&7026=00000&7027=-1&7001=47&7029=7&7090=70&7033=-1>. (Accessed June 27, 2016).
 For Personal Consumption Expenditures: U.S. Bureau of Economic Analysis, National Data, "National Income and Product Accounts Table 2.3.4," <http://www.bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=3&isuri=1&910=x&911=0&903=64&904=1959&905=2013&906=a> (Accessed June 27, 2016).

FIGURE 7

Government Transfers as a percent of Personal Consumption Expenditures, 1960-2014

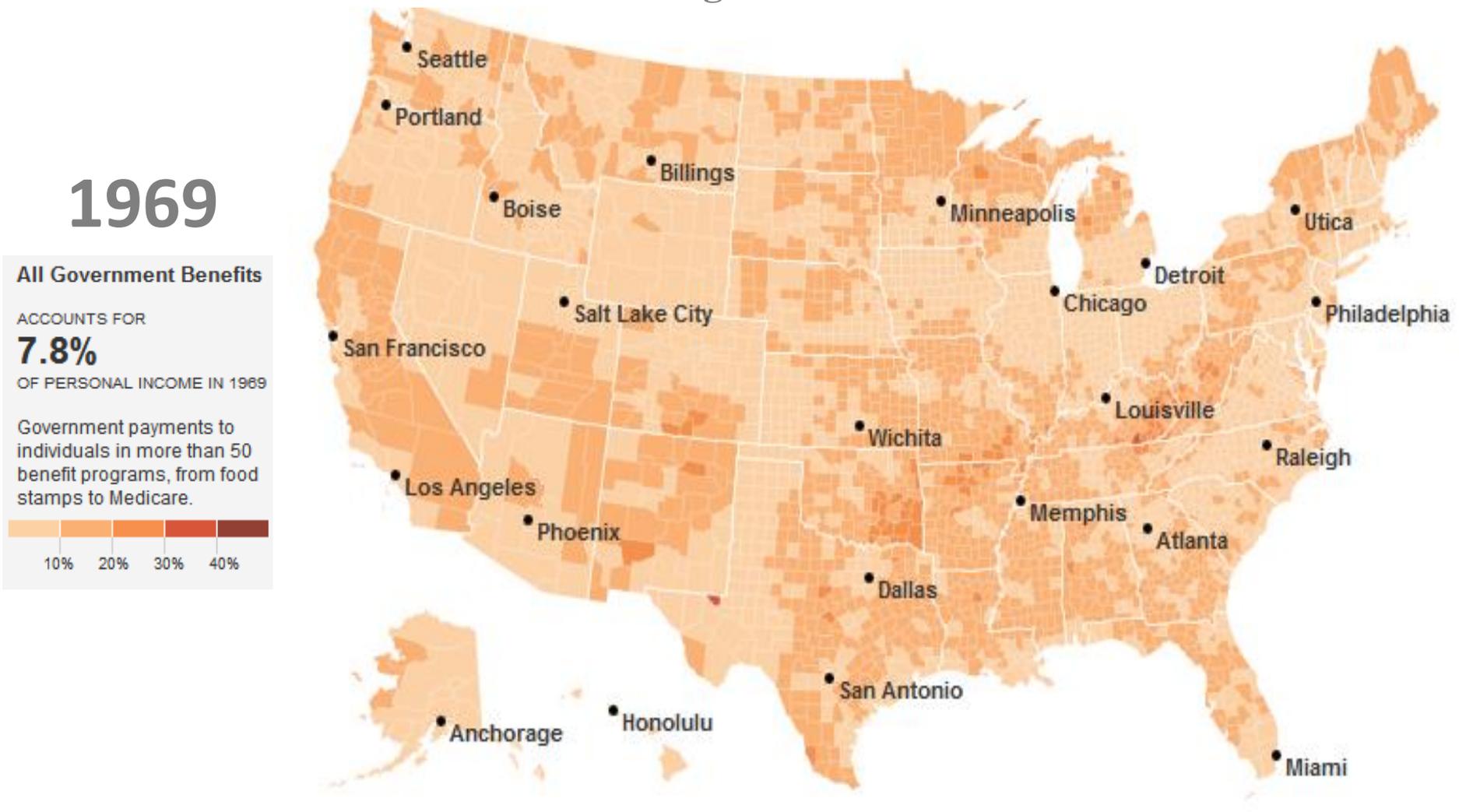


Sources: For Transfers : US Bureau of Economic Analysis, "National Income and Product Accounts, Table 3.1 Government Current Receipts and Expenditures", <http://www.bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=3&isuri=1&910=x&911=0&903=86&904=1960&905=2013&906=a>. (Accessed June 27, 2016).

For Personal Consumption Expenditures: U.S. Bureau of Economic Analysis, National Data, "National Income and Product Accounts Table 2.3.4," <http://www.bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=3&isuri=1&910=x&911=0&903=64&904=1959&905=2013&906=a> (Accessed June 27, 2016).

FIGURE 8

The Rising Tide of Entitlements: Part I



Source: The New York Times, February 11, 2012, The Geography of Government Benefits, <http://www.nytimes.com/interactive/2012/02/12/us/entitlement-map.html?ref=us>, (Accessed June 27, 2016).

FIGURE 9
The Rising Tide of Entitlements: Part II

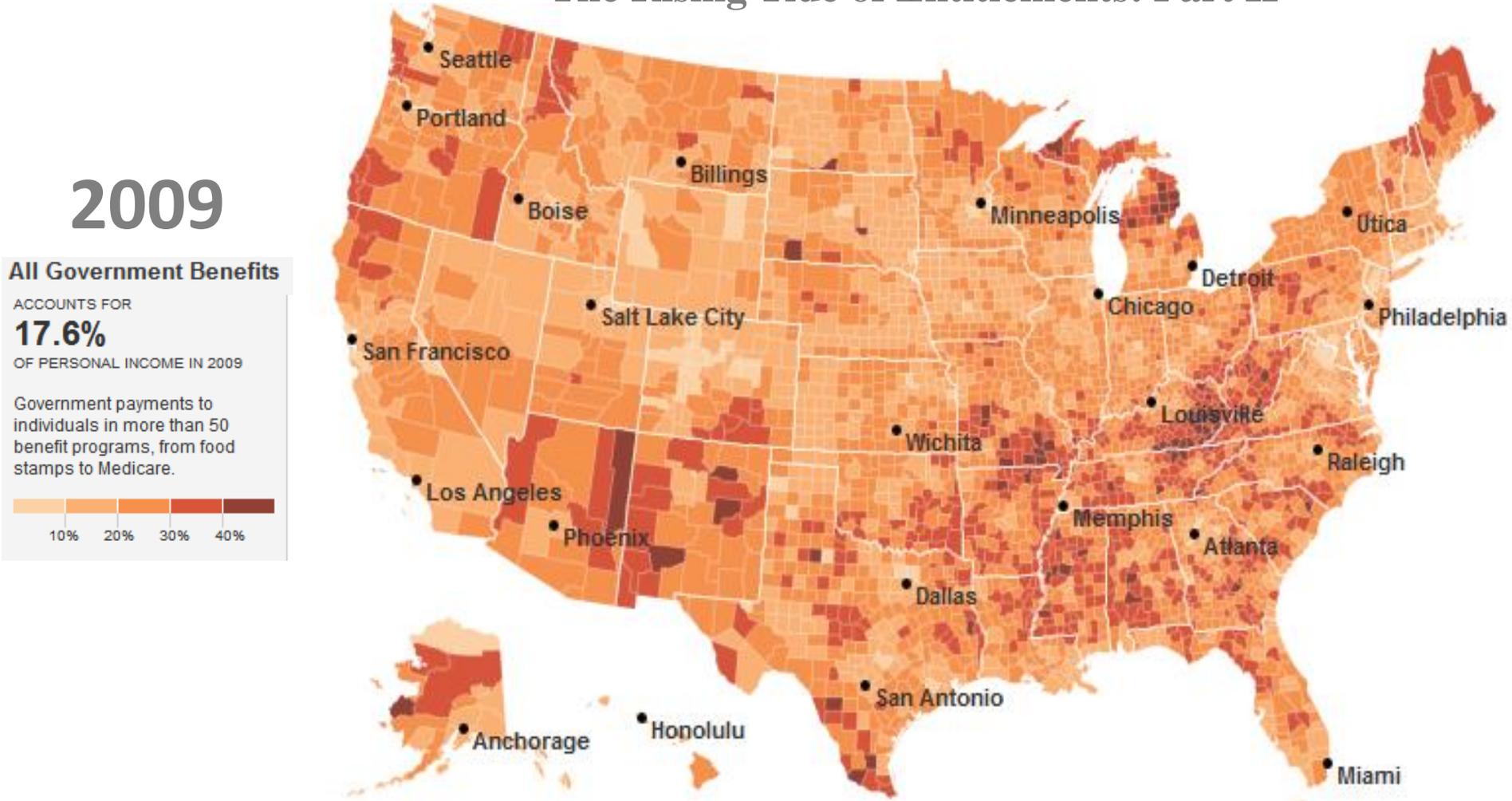


Table 1

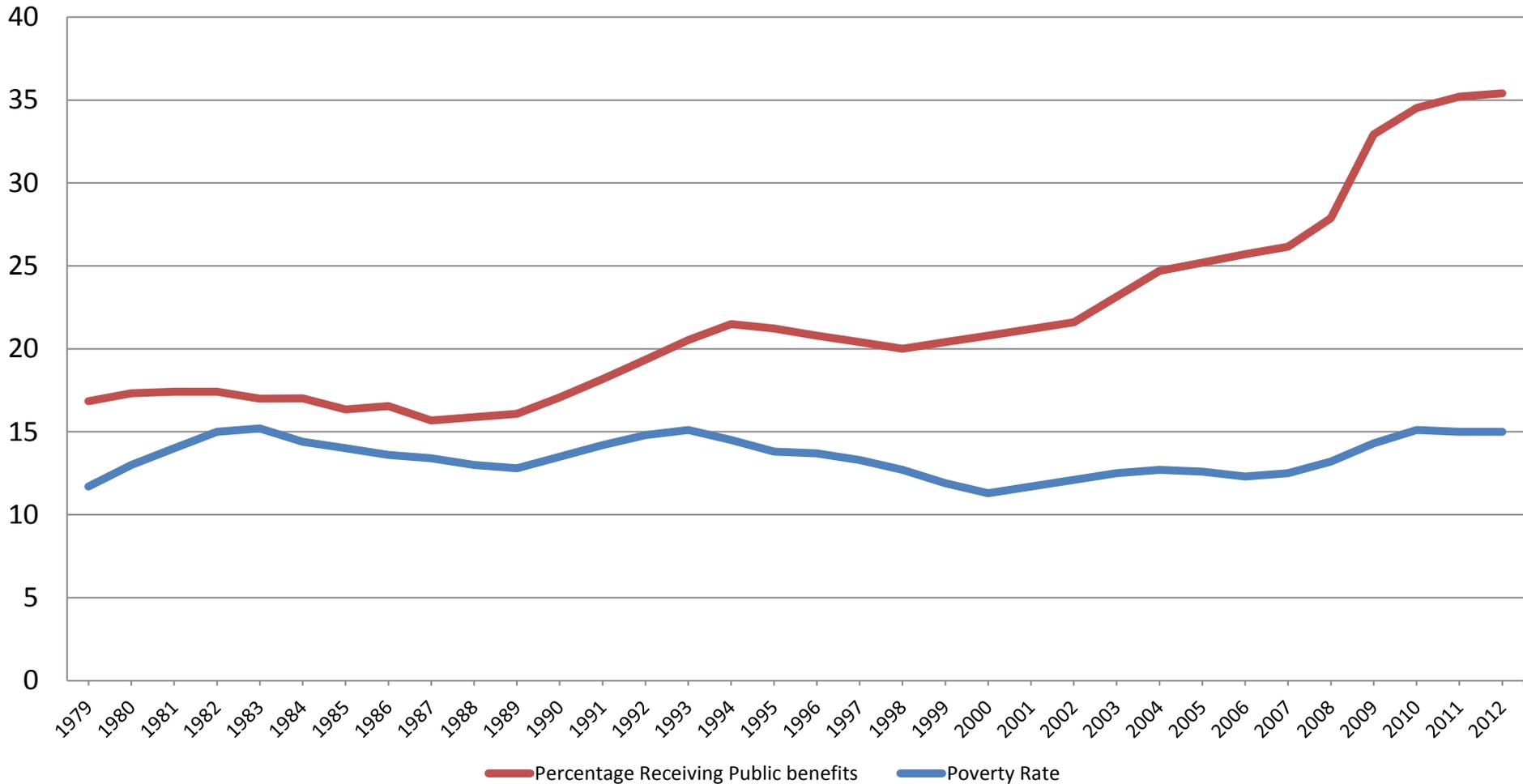
Dependency in America: 1983 vs. 2012

Reciency status and program	Third Quarter 1983	Third Quarter 2012	Difference
	Number in millions (Percent)	Number in millions (Percent)	Number In millions (Percentage point change)
All people	224.3 (100.0)	308.9 (100.0)	84.6 (-----)
Received benefits from one or more programs	66.5 (29.6)	152.9 (49.5)	86.4 (19.9)
Social Security	31.7 (14.1)	51.5 (16.7)	19.8 (2.6)
Medicare	26.7 (11.9)	48.2 (15.6)	21.5 (3.7)
One or more means-tested program	42.1 (18.8)	109.3 (35.4)	67.2 (16.6)
Federal Supplemental Security Income (SSI)	3.2 (1.4)	20.4 (6.6)	17.2 (5.2)
Food stamps (2)	18.7 (8.3)	50.8 (16.5)	32.1 (8.2)
AFDC (3)	9.3 (4.2)	5.4 (1.8)	-3.9 (-2.4)
Women, Infants, and Children (WIC)	2.4 (1.1)	22.7 (7.3)	20.3 (6.2)
Medicaid	17.5 (7.8)	83.1 (26.9)	65.5 (19.1)

Note: Details may not sum to totals because of rounding, because not all categories are shown, and because people may receive benefits from more than one program.
Source: U.S. Census Bureau, Current Population Reports, Series P-70, No. 1 Economic Characteristics of Households in the United States: Third Quarter 1983, U.S. Government Printing Office, Washington D.C., 1984, available at: <http://www.census.gov/sipp/p70-1.pdf>, Table C; U.S. Census Bureau, Survey of Income and Program Participation, Waves 12, 13, 14 2008 Panel, July--September 2012. For information on sampling and non sampling error see: [http://www.census.gov/sipp/sourceac/S&A08_W1toW9\(S&A-14\).pdf](http://www.census.gov/sipp/sourceac/S&A08_W1toW9(S&A-14).pdf);
Poverty and Income data:

Figure 10

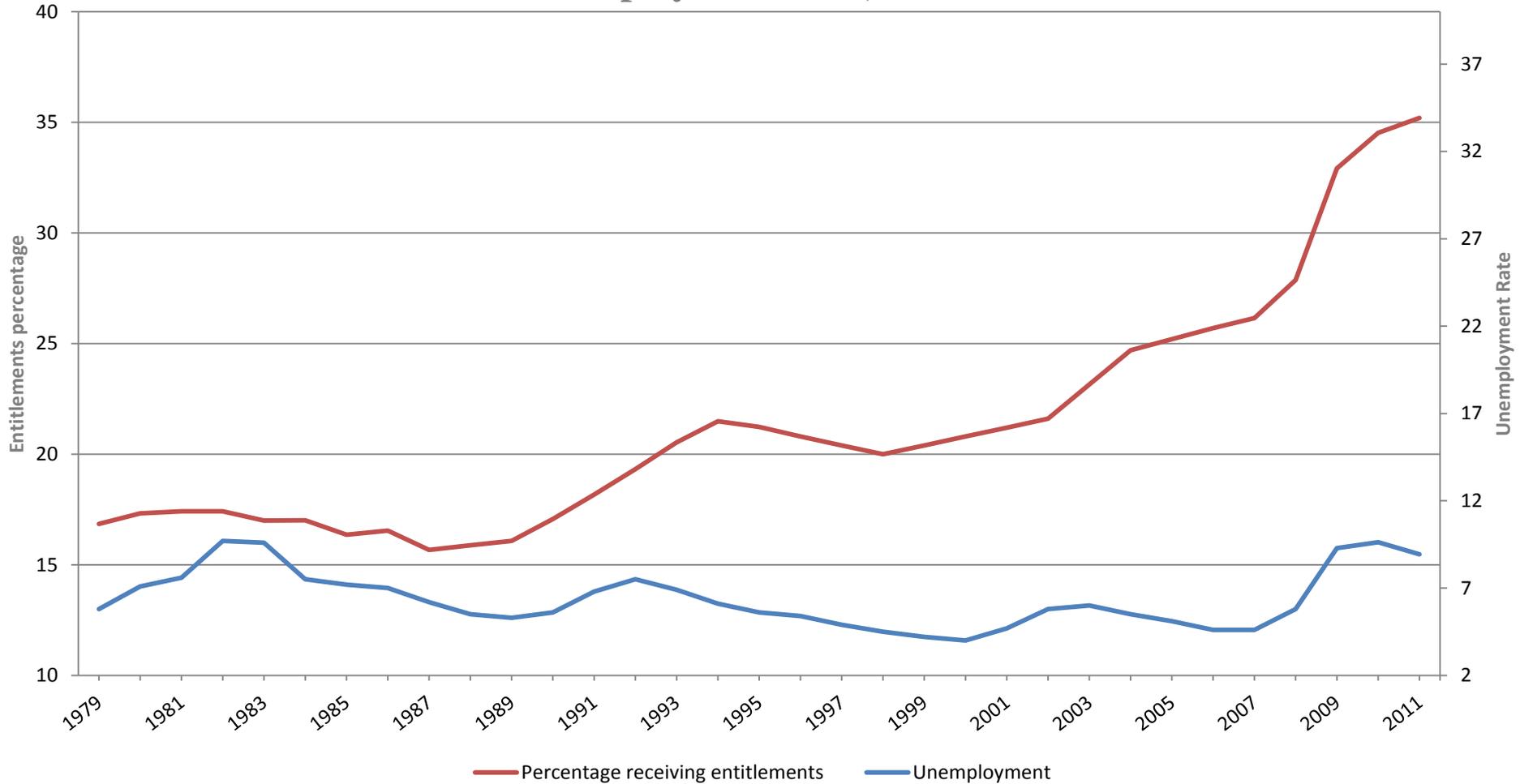
Disconnect, Part I: Percentage of Americans Receiving Means Tested Public Benefits vs. Poverty Rate, 1979-2012



Source: Unpublished U.S. Census Bureau data run commissioned by the Wall Street Journal, provided to the author by Sara Murray, January 16, 2012; U.S. Census Bureau, Survey of Income and Program Participation, 2008 Panel, available at [http://www.census.gov/sipp/sourceac/S&A08_W1toW9\(S&A-14\).pdf](http://www.census.gov/sipp/sourceac/S&A08_W1toW9(S&A-14).pdf), (Accessed June 27, 2016). Poverty and Income data: DeNavas-Walt, Carmen and Bernadette D. Proctor, U.S. Census Bureau, Current Population Reports, P60-249, *Income and Poverty in the United States: 2013*, U.S. Government Printing Office, Washington, DC, 2014, available at: www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249.pdf (Accessed June 27, 2016).

Figure 11

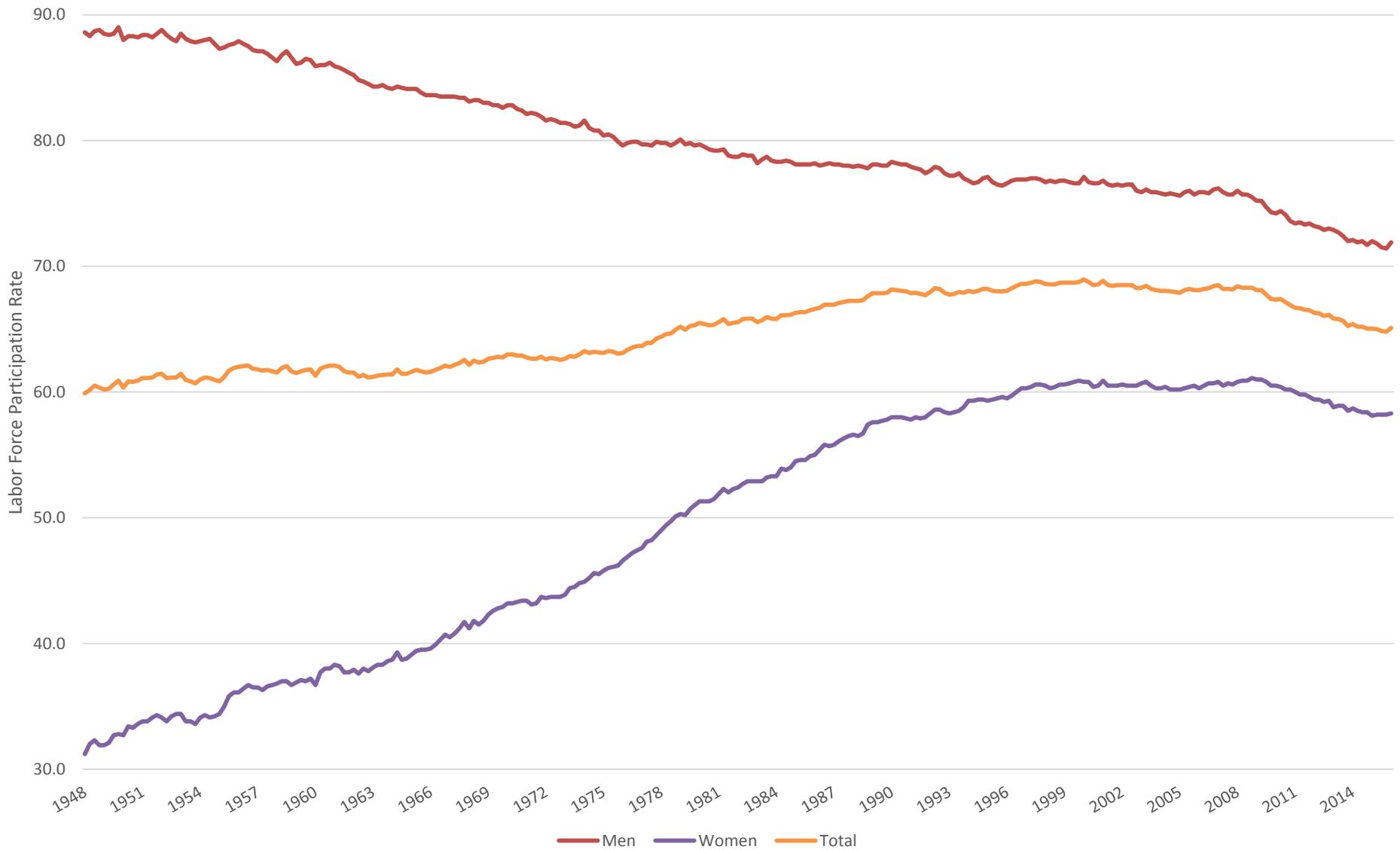
Disconnect, Part II: Percentage of Americans Receiving Means Tested Public Benefits vs. Unemployment Rate, 1979-2011



Source: Unpublished U.S. Census Bureau data run commissioned by the Wall Street Journal, provided to the author by Sara Murray, January 16, 2012; U.S. Census Bureau, Survey of Income and Program Participation, 2008 Panel, available at [http://www.census.gov/sipp/sourceac/S&A08_W1toW9\(S&A-14\).pdf](http://www.census.gov/sipp/sourceac/S&A08_W1toW9(S&A-14).pdf). (Accessed June 27, 2016). Unemployment: Bureau of Labor Statistics, Department of Labor, "Labor Force Statistics from the Current Population Survey: Unemployment Rate (LNU04000000)" Washington, DC, (Accessed June 27, 2016).

Figure 12

Seasonally Adjusted US Labor Force Participation Rate 1948-2015, by Gender (Men and Women 20 Years of Age and Older)



Source: Bureau of Labor Statistics, One Screen database, Labor Force Statistics, Series "LNU01300000" , "LNU01300001" , "LNU01300002" <http://www.bls.gov/data/>, (Accessed June 27, 2016).

Figure 13

US Labor Force Participation Rate vs. Employment to Population Ratio, Males 20+, 1948-2015

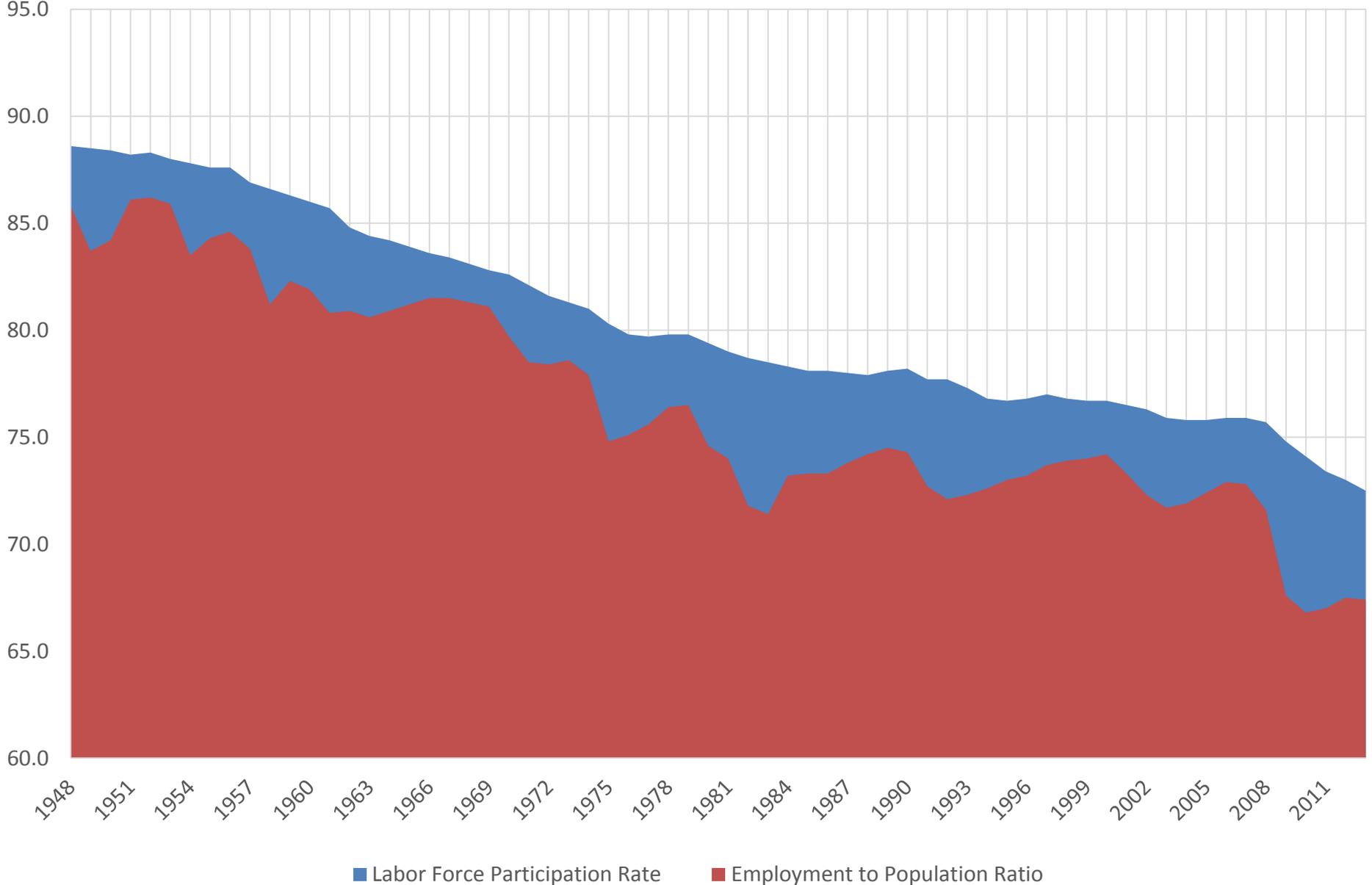


Figure 14

Labor Force Participation Rate for Males 35-39: USA vs. Greece, 1983-2014

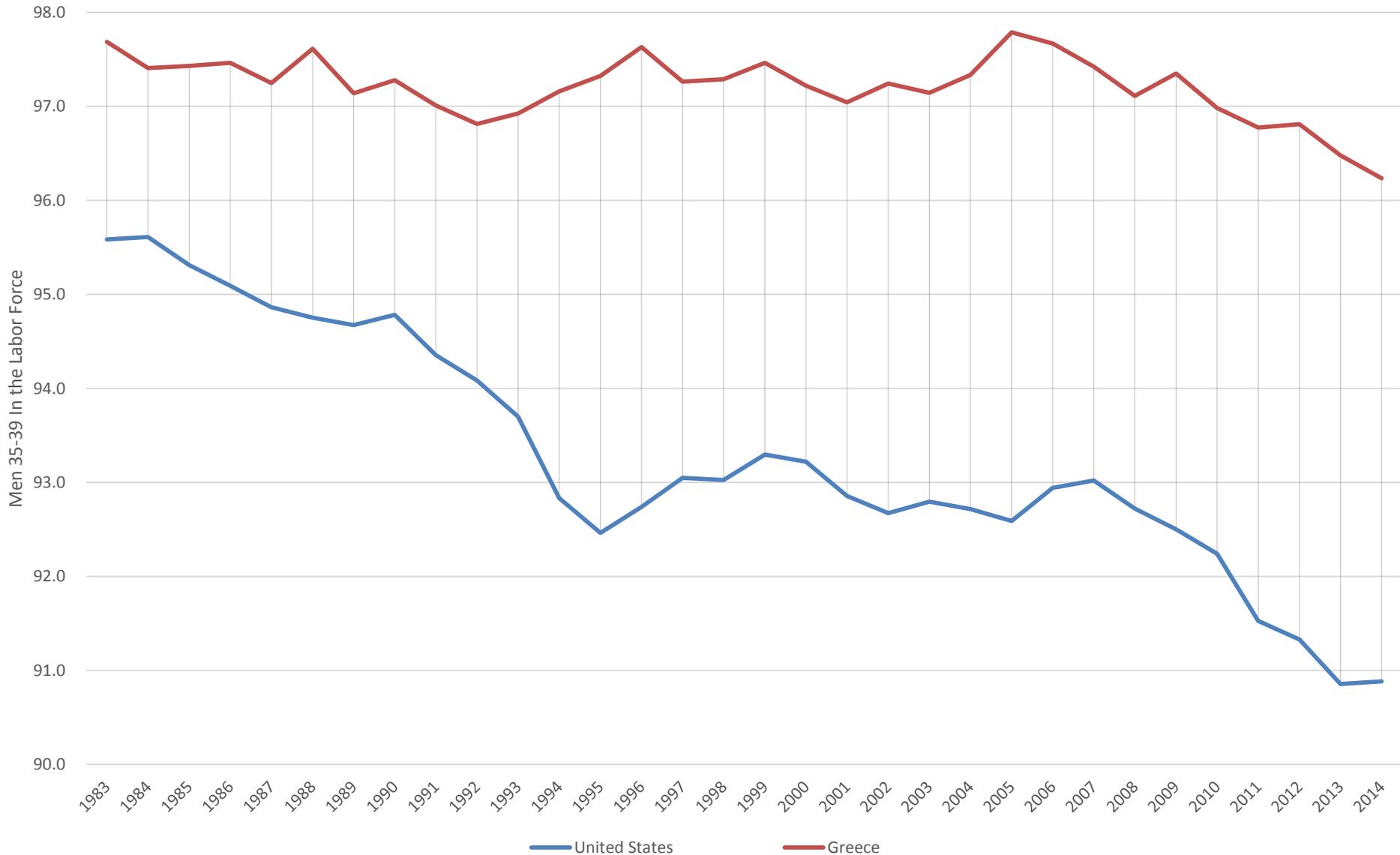
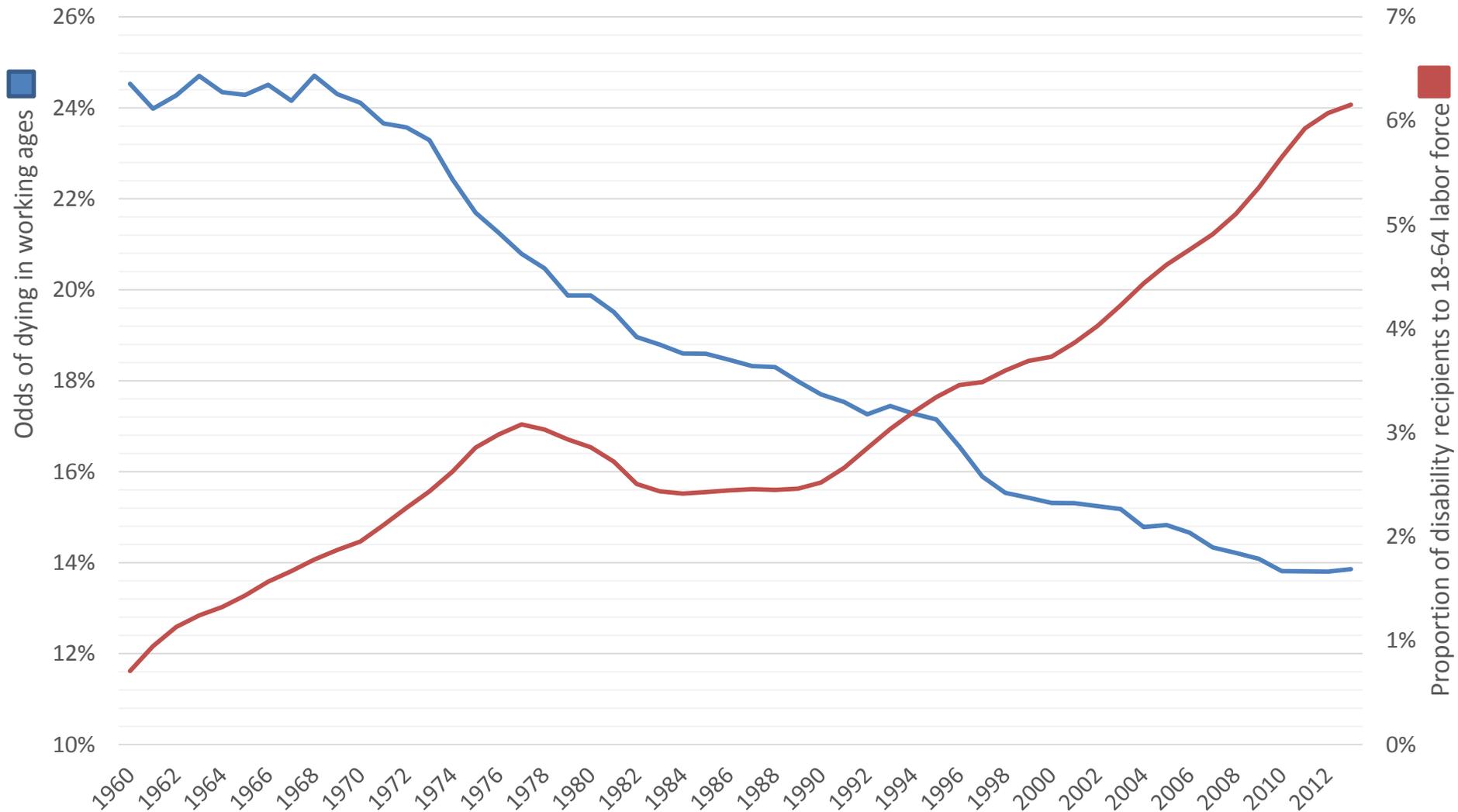


Figure 15

What Is Wrong With This Picture?

Odds of Dying Between Ages 18 and 65 vs.
Ratio of SSDI worker recipients to working age (18-64) Labor Force: USA, 1960-2013



Derived from: Mortality Rates: The Human Mortality Database, lx, http://www.mortality.org/hmd/USA/STATS/mltper_1x1.txt, Accessed on March 25, 2016.

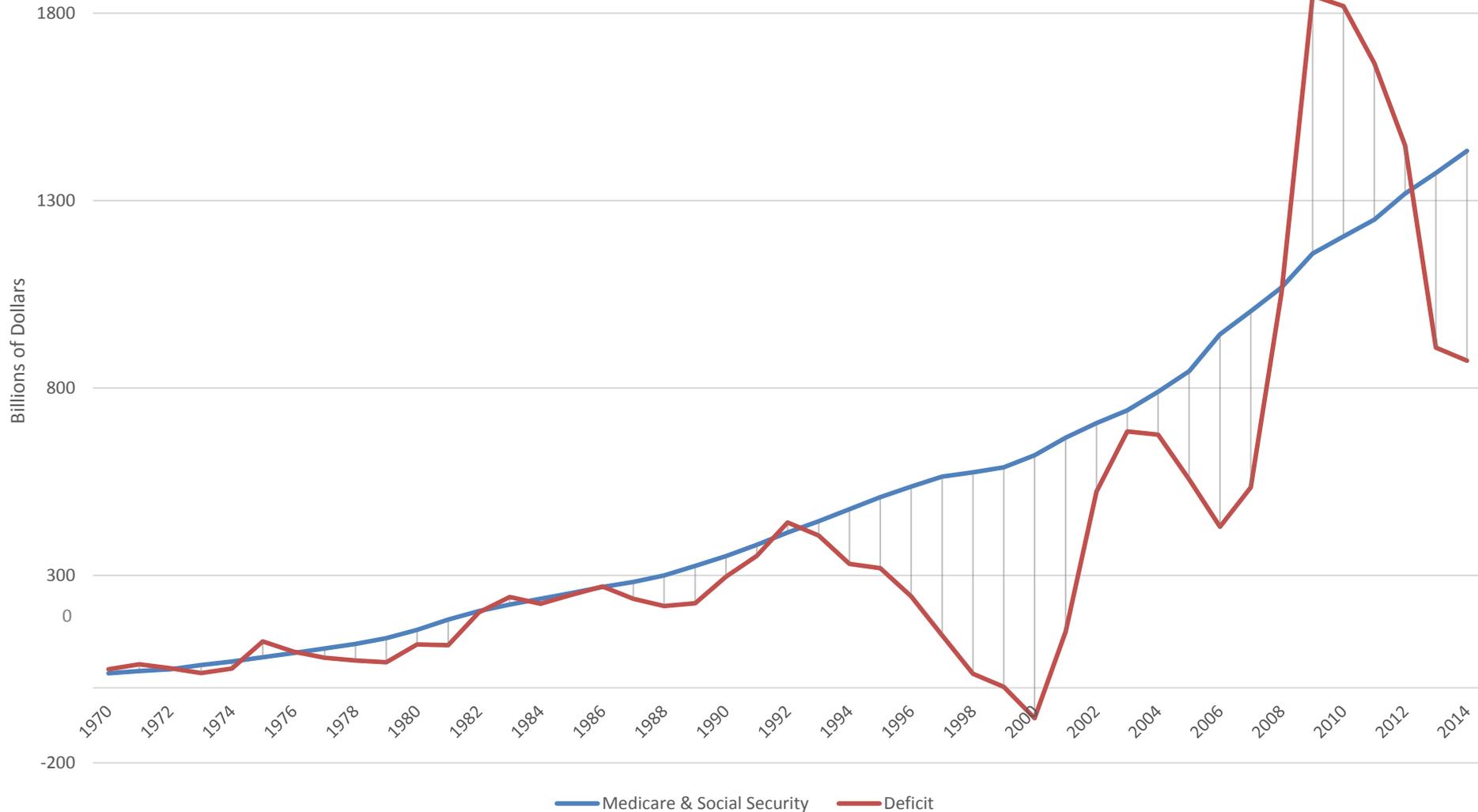
Disability Rates: Social Security Administration, Office of Retirement and Disability Policy, *Annual Statistical Report on the Social Security Disability Insurance Program*, 2000 and 2014, https://www.ssa.gov/policy/docs/statcomps/di_asr/2000/sect01a.html and https://www.ssa.gov/policy/docs/statcomps/di_asr/, accessed March 25, 2016.

Labor Force: The Bureau of Labor Statistics, One Screen database, Labor Force Statistics, Series "LNU01000000 , LNU01000086, LNU01000097" <http://www.bls.gov/data/> , accessed March 25, 2016.

Figure 16

Who Pays For These Entitlements? Maybe Your Kids...

Cost of Medicare and Social Security vs. US Deficit, 1970-20125 (current \$ US, billions)



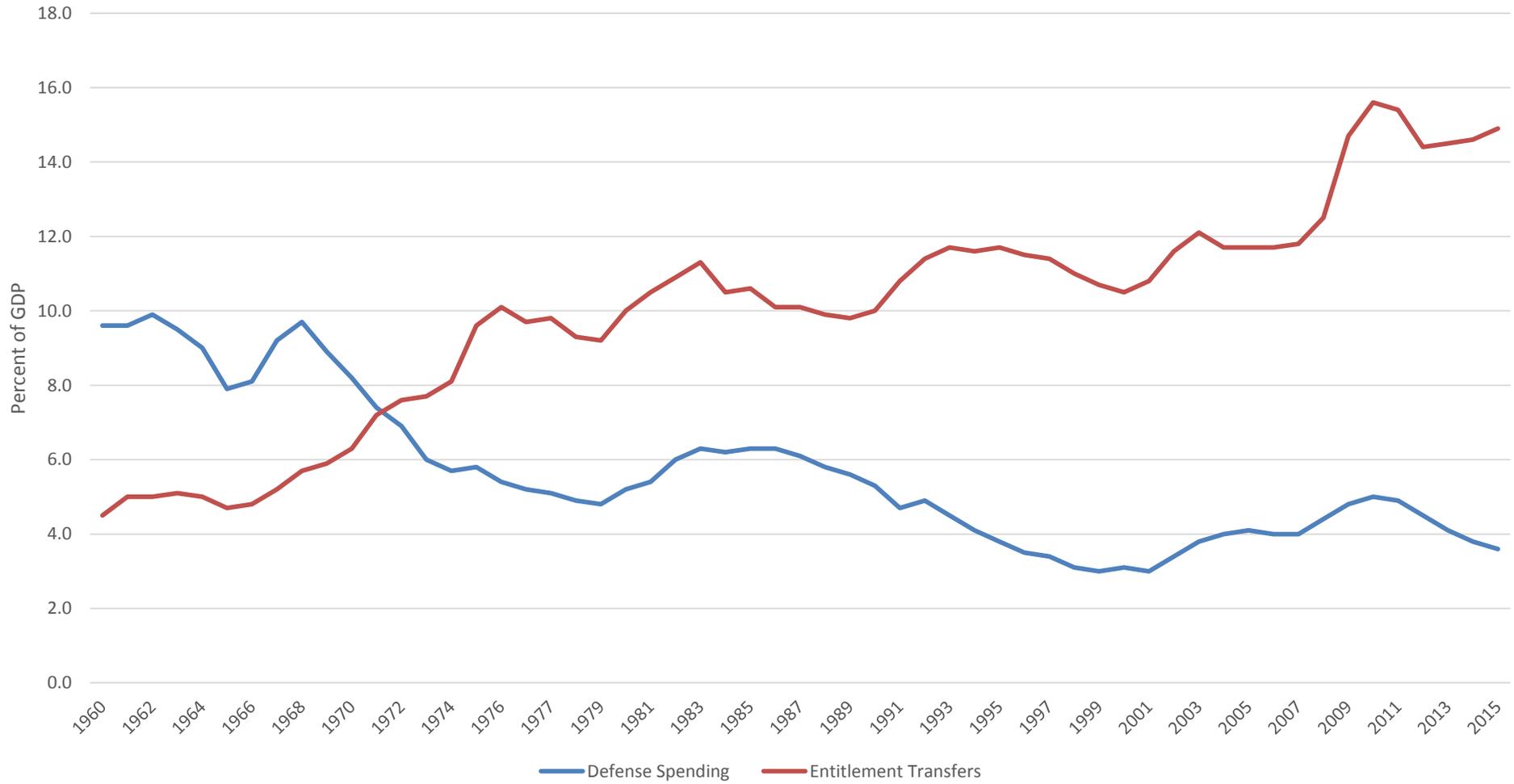
— Medicare & Social Security — Deficit

Sources: Government Entitlement Transfers: Bureau of Economic Analysis, SA35 Personal current transfer receipts, <http://www.bea.gov/iTable/iTableHtml.cfm?reqid=70&step=30&isuri=1&7028=-1&7040=-1&7083=Levels&7031=0&7022=7&7023=0&7024=Non-Industry&7025=0&7026=00000&7027=-1&7001=47&7029=7&7090=70&7033=-1>. (Accessed June 27, 2016)

Figure 17

Defense vs. Entitlement Programs

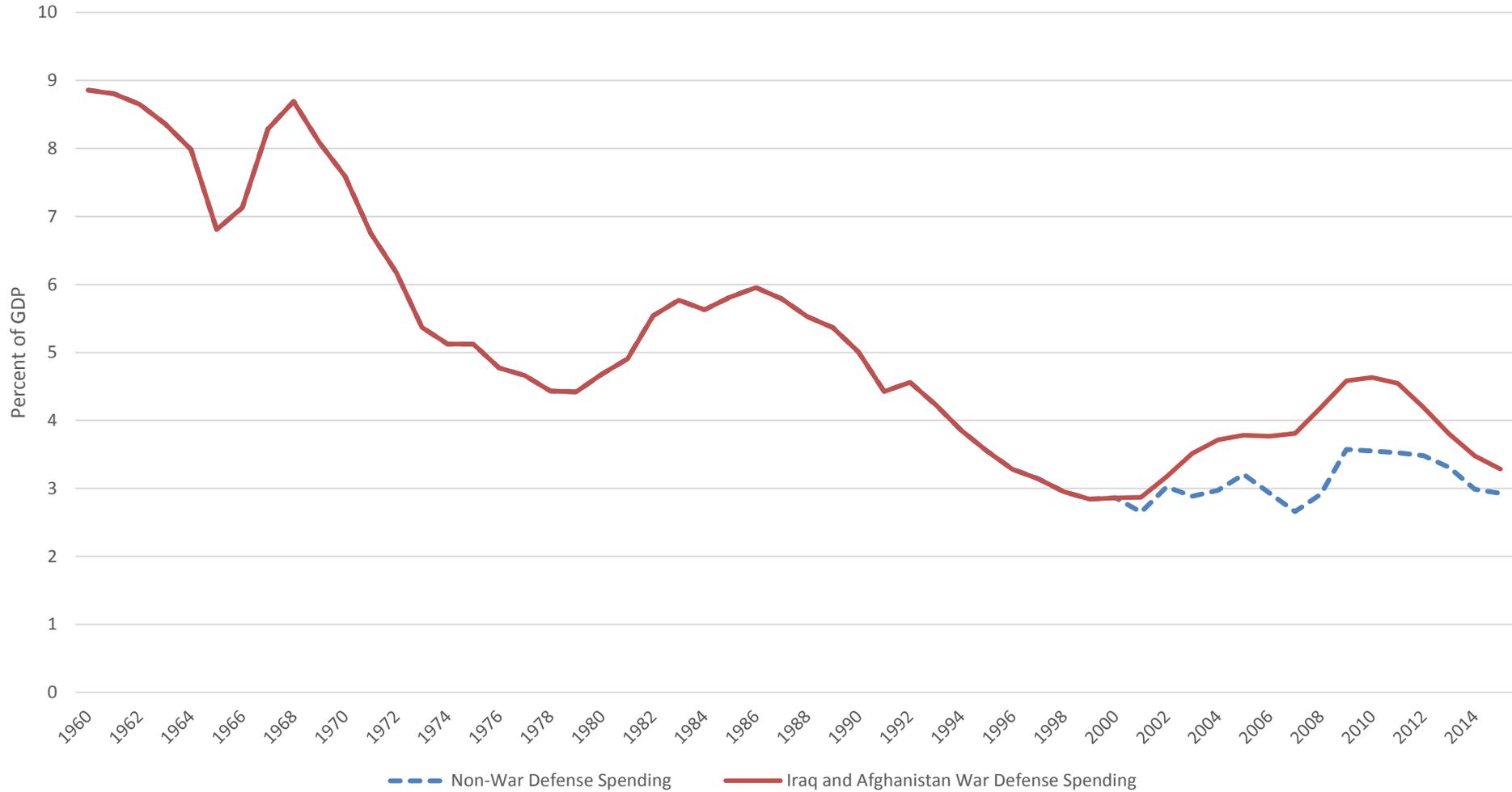
Defense Spending And Entitlement Transfers As a percent of GDP, FY1960-FY 2015



Source: White House Office of Management and Budget, Historical Tables, Table 3.2- Outlays by Function and Sub-function. Available at <http://www.whitehouse.gov/omb/budget/Historicals>. (Accessed June 27, 2016).

Figure 18 Unaffordable?

Defense Spending As a percent of GDP, 1960-2015



Sources: White House Office of Management and Budget, Historical Tables, "Table 6.1 —Composition of Outlays" <https://www.whitehouse.gov/omb/budget/Historicals> (Accessed July 1, 2016); Bureau of Economic Analysis, "Table 1.1.5 Gross Domestic Product" <http://www.bea.gov/iTable/iTableHtml.cfm?reqid=9&step=3&isuri=1&910=X&911=0&903=5&904=1929&905=2012&906=A>, (Accessed July 1, 2016). "Office of the Under Secretary of Defense (Comptroller) Chief Financial Officer- United States Department of Defense Fiscal Year 2016 Budget Request Overview" http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2016/FY2016_Budget_Request_Overview_Book.pdf (Accessed July 1, 2016).